



GOV. MSG. NO. 253

EXECUTIVE CHAMBERS HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 17, 2014

The Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear President Kim:

An arbitration award concerning the Hawaii Government Employees Association (HGEA) and the employer for Collective Bargaining Unit 6 (Educational Officers) has been issued. Notification of the award was received on April 17, 2014. Additionally, an agreement with HGEA has been reached concerning Employer-Union Trust Fund Contributions (EUTF) employer contributions. In accordance with Section 89-10(b), cost items are subject to appropriations by the appropriate legislative bodies. The following summaries of the included and excluded requirements of the arbitration award and EUTF agreement are shown below:

	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
<u>Salaries and Fringe</u>			
General	\$3,981,224	\$8,416,472	\$14,042,350
Special	10,057	21,108	31,165
G.O. Bond	4,676	9,814	14,490
Federal	231,536	488,164	719,700
Revolving	<u>8,648</u>	<u>18,545</u>	<u>27,193</u>
Total	\$4,236,141	\$8,954,103	\$13,190,244
<u>Excess Vacation Payout and Fringe</u>			
General	<u>\$1,644,654</u>	<u>-0-</u>	<u>\$ 1,644,654</u>
Total	\$5,880,795	\$8,954,103	\$14,834,898

The projected costs with HGEA regarding EUTF contribution amounts for Unit 6 are as follows:

	<u>FY 14</u>	<u>FY 15</u>	<u>Biennium</u>
General	\$315,839	\$407,754	\$723,593

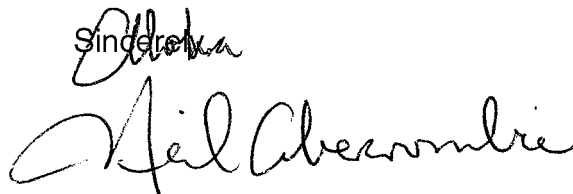
A proposed draft bill, which amends Senate Bill No. 2073 in its entirety, to fund the settlement is attached.

Because the tentative agreement covers four years, the following amounts are provided for your information:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
<u>Salaries, Incentive Pay and Fringe</u>			
General	\$13,355,879	\$18,171,816	\$31,527,695
Special	32,748	44,567	77,315
G.O. Bond	15,225	20,840	36,065
Federal	758,441	1,038,033	1,796,474
Revolving	<u>28,966</u>	<u>39,779</u>	<u>68,745</u>
Total	\$14,191,259	\$19,315,035	\$33,506,294

The projected costs with HGEA regarding EUTF contribution amounts for Unit 6 are as follows:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
General	\$318,935	\$198,781	\$517,716


NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Y. Ige

A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to departmental administration and budget division (BUF 101) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2013-2015 all collective bargaining cost items for salary increases and other wage related costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (6):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	\$5,302,117	\$7,732,008
Special Funds	4,741	9,951
G.O. Bond Funds	4,676	9,814
Federal Funds	182,469	384,503
Revolving Funds	3,838	8,231

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART II

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to departmental administration and budget division (BUF 101) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2013-2015, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining unit (6):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	\$323,761	\$684,464
Special Funds	5,316	11,157
Federal Funds	49,067	103,661
Revolving Funds	4,810	10,314

SECTION 4. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. There are appropriated or authorized from the sources of funding indicated below to health premium payments (BUF 765) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2013-2015, the Hawaii employer union health benefits trust fund costs in the agreement

1 negotiated with the exclusive bargaining representative of
2 collective bargaining unit (6):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
4 General Funds	\$279,400	\$361,829

5 PART IV

6 SECTION 6. There are appropriated or authorized from the
7 sources of funding indicated below to health premium payments
8 (BUF 765) the following sums, or so much thereof as may be
9 necessary, to fund for fiscal biennium 2013-2015, the Hawaii
10 employer union health benefits trust fund costs for state
11 officers and employees excluded from collective bargaining who
12 belong to the same compensation plans as those officers and
13 employees within collective bargaining unit (6):

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
15 General Funds	\$36,439	\$45,925

16 SECTION 7. Funds appropriated or authorized by this part
17 shall be allotted by the director of finance to the appropriate
18 state departments for expenditure in the respective fiscal year
19 for the purposes of this part.

20 PART V

21 SECTION 8. Salary increases and cost adjustments provided
22 in this Act for any officer or employee whose compensation is
23 paid, in whole or in part, from federal, special, or other funds
24 shall be paid wholly or proportionately, as the case may be,
25 from the respective funds.

S.B. NO. 2073
S.D. 1
H.D. 1
Proposed C.D. 1

1 SECTION 9. Funds appropriated or authorized by this Act
2 that are not expended or encumbered by June 30, 2014, and
3 June 30, 2015, of the respective fiscal years, shall lapse as of
4 those dates.

5 SECTION 10. This Act shall take effect upon its approval.
6

7 INTRODUCED BY: _____

8 BY REQUEST

Report Title:

Appropriations for Collective Bargaining Cost Items

Description:

Provides fund authorizations and appropriations for all collective bargaining cost items for salary increases and other wage related costs in the arbitrated settlement for unit (6) and its excluded counterparts for fiscal biennium 2013-2015.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.